



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 15, 1991

Mr. Dave Wolfe
Assistant Treasurer
Hecla Mining Company
6500 Mineral Drive
Box C-8000
Coeur d'Alene, Idaho 83814-1931

Dear Mr. Wolfe:

Re: Self-Bonding Proposal, Escalante Mine, Hecla Mining Company, M/021/004, Iron County, Utah

The Division received Hecla's Self Bonding request on December 10, 1990. The proposal is still under review by the Division. We are currently waiting for review comments from the BLM and Utah Division of Wildlife Resources, before completing ours.

We have performed a preliminary surety estimate, based on the Tailings Pond Reclamation Plan submitted (please see attached). This figure comes to \$568,000. Hecla may be asked to post this amount instead of the \$181,500 previously proposed. The new surety amount will be based on the final approved plan for the tailings pond facility.

Please contact me or Wayne Hedberg if you have further questions.

Sincerely,

Holland Shepherd
Senior Reclamation Specialist

jb
Attachment
M021004.1

RECLAMATION ESTIMATE

Hecla Mining Company

Escalante Silver Mine – Mill Tailings Facility Iron County

M/021/004

last revision

2/21/91

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details

- All structures and equipment to be removed from the site (1.5 acre EST)
- Tailings covered by: 6" clay, 14" subsoil, 4" topsoil (65 acres)
- Hay incorporated into tailings subsoil & topsoil caps(2-3,000 lb/acre)
- Road to tailings reduced via ripping & seeding(5,800' x 12'= 1.6 acre)
- Impoundment runoff ditch constructed around tailings cap (7,200')
- Borrow areas ripped, topsoiled & seeded (ASSUMED 120 acres)
- Roads to borrow areas ripped, water barred & seeded (5 acres)
- Rip topsoil stockpile area & drill seed (9 acre ESTIMATE)
- Monitor groundwater wells for a minimum of 2 years after reclamation
- Fence maintenance for 3 years (7,900 ft long)
- Areas revegetated via drill seeding unless impractical(=>hand seeding)
- Disturbed area = office+tailings+borrow+roads+stockpile= 202 acres

<u>Description</u>	<u>Amount</u>	<u>\$/Unit</u>	<u>Cost-\$</u>
-Structure demolition/removal	lump sum	5,000	5,000
-Tailings clay cap	52,433 CY	2.92	153,104
-Tailings subsoil cap	122,344 CY	1.42	173,728
-Tailings topsoil cap	34,955 CY	1.93	67,463
-Disc hay into tailings soils	65 acre	357	23,205
-Ripping tailings road (0.40 mph)	1.6 acre	603	965
-Impoundment runoff ditch construction	7,200 ft	0.32	2,304
-Ripping borrow areas (0.60 mph)	120 acre	407	48,840
-Ripping borrow area roads (0.50 mph)	5 acre	485	2,425
-Rip topsoil stockpile area	9.0 acre	407	3,663
-Reseed all disturbed areas	202 acre	330	66,660
-Monitor groundwater wells(twice/month)	2 yr	7,200	14,400
-Fence maintenance(twice/month)	3 yr	2,400	7,200

SUBTOTAL

480,698

+ 10% CONTINGENCY

48,070

SUBTOTAL

528,768

+ 5 yr ESCALATION(1.45%)

39,464

TOTAL

568,231

ROUNDED TOTAL IN 1996-\$

\$568,000